

§ 20-72.1. Transfer by owner when a certificate of title is unavailable; consumer remedies.

(a) Notwithstanding any other provision in this Article, when a manufacturer's statement of origin or an existing certificate of title on a motor vehicle is unavailable, a motor vehicle dealer licensed under Article 12 of this Chapter shall deliver the manufacturer's statement of origin or certificate of title to the Division within 20 days of receipt of the title, but no later than 60 days following the later of the date of the sale or transfer of the vehicle or the date of the creation of a security interest in the vehicle pursuant to G.S. 20-58(b). The dealer may offer the vehicle for sale provided that the purchaser is given written notice prior to sale that the dealer is not in possession of the manufacturer's statement of origin or certificate of title and that the purchaser may be entitled to liquidated damages pursuant to subsection (b) of this section if the dealer fails to deliver the manufacturer's statement of origin or certificate of title to the Division in accordance with this subsection. For purposes of this subsection, a vehicle's manufacturer's statement of origin or existing certificate of title shall be considered unavailable under either of the following circumstances:

- (1) The manufacturer's statement of origin or certificate of title has not been actually delivered to the dealer on or prior to the date the dealer sold or transferred the vehicle.
- (2) The manufacturer's statement of origin or certificate of title was lost or misplaced on or prior to the date the dealer sold or transferred the vehicle. If the motor vehicle being sold or transferred is a used motor vehicle, the dealer is required to make application to the Division for a duplicate title within five working days of the date of the sale or transfer of the vehicle. If the vehicle being sold or transferred is a new motor vehicle, the dealer is required to request a new or duplicate manufacturer's statement of origin from the applicable manufacturer or distributor within five working days of the date of the sale or transfer of the vehicle.

(b) In any case where a dealer fails to deliver the manufacturer's statement of origin or certificate of title to the Division within the 60-day time period allowed in subsection (a) of this section, the vehicle purchaser may elect to receive liquidated damages from the dealer in the amount of five percent (5%) of the vehicle purchase price, not to exceed one thousand dollars (\$1,000), provided that the dealer receives written demand for liquidated damages from the purchaser within 10 days after the expiration of the 60-day period provided in subsection (a) of this section. The liquidated damages provided in this subsection shall be payable by the dealer within 30 days after the receipt of the purchaser's written demand. Nothing in this section shall be construed to limit any other civil remedies or consumer protections available to the vehicle purchaser. (2018-42, s. 2(d).)